Company Tracking Number: MSR-ACIC

TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other

Product Name: Med Supp

Project Name/Number: ACIC 2008 Med Supp Refund Calc Forms/MSR-ACIC

Filing at a Glance

Company: American Continental Insurance Company

Product Name: Med Supp SERFF Tr Num: GEFA-126151527 State: ArkansasLH TOI: MS06 Medicare Supplement - Other SERFF Status: Closed State Tr Num: 42378

Sub-TOI: MS06.000 Medicare Supplement - Co Tr Num: MSR-ACIC

Other

Filing Type: Form Co Status: Reviewer(s): Stephanie Fowler

Author: Cindy Petty Disposition Date: 05/21/2009

Date Submitted: 05/13/2009 Disposition Status: Accepted For

Informational Purposes

State Status: Pending Fees

Implementation Date Requested: On Approval Implementation Date:

State Filing Description:

General Information

Project Name: ACIC 2008 Med Supp Refund Calc Forms Status of Filing in Domicile: Not Filed

Project Number: MSR-ACIC

Requested Filing Mode: Informational

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Date Approved in Domicile:

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Filing Status Changed: 05/21/2009 Explanation for Other Group Market Type:

State Status Changed: 05/13/2009

Deemer Date: Corresponding Filing Tracking Number:

Filing Description:

Enclosed for your records are the Medicare Supplement Refund Calculation Forms for Calendar Year 2008 and the 2008 Reporting for the calculation of benchmark ratio since inception for individual policies.

No refunds are called for under the calculations.

Company Tracking Number: MSR-ACIC

TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other

Product Name: Med Supp

Project Name/Number: ACIC 2008 Med Supp Refund Calc Forms/MSR-ACIC

Company and Contact

Filing Contact Information

Cynthia Petty, Compliance Team Leader cindy.petty@genworth.com
101 Continental Place (800) 264-4000 [Phone]
Brentwood, TN 37027 (615) 373-0272[FAX]

Filing Company Information

American Continental Insurance Company CoCode: 12321 State of Domicile: Tennessee
101 Continental Place Group Code: 4011 Company Type: Life and Health
Brentwood, TN 37027 Group Name: State ID Number:

(615) 377-1300 ext. [Phone] FEIN Number: 20-2901054

Filing Fees

Fee Required? No Retaliatory? No

Fee Explanation:

Per Company: No

COMPANY AMOUNT DATE PROCESSED TRANSACTION #

American Continental Insurance Company \$0.00 05/13/2009

Company Tracking Number: MSR-ACIC

TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other

Product Name: Med Supp

Project Name/Number: ACIC 2008 Med Supp Refund Calc Forms/MSR-ACIC

Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted	
Accepted F	For Stephanie Fowler	05/21/2009	05/21/2009	
Information	nal			
Purposes				

SERFF Tracking Number: GEFA-126151527 State: Arkansas
Filing Company: American Continental Insurance Company State Tracking Number: 42378

Company Tracking Number: MSR-ACIC

TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other

Product Name: Med Supp

Project Name/Number: ACIC 2008 Med Supp Refund Calc Forms/MSR-ACIC

Disposition

Disposition Date: 05/21/2009

Implementation Date:

Status: Accepted For Informational Purposes

Comment:

Rate data does NOT apply to filing.

Company Tracking Number: MSR-ACIC

TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other

Product Name: Med Supp

Project Name/Number: ACIC 2008 Med Supp Refund Calc Forms/MSR-ACIC

Item Type	Item Name	Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		Yes
Supporting Document	Health - Actuarial Justification		Yes
Supporting Document	Outline of Coverage		Yes
Supporting Document	Med Supp Refund Calc Forms	Accepted for	Yes
		Informational Purposes	

Company Tracking Number: MSR-ACIC

TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other

Product Name: Med Supp

Project Name/Number: ACIC 2008 Med Supp Refund Calc Forms/MSR-ACIC

Rate Information

Rate data does NOT apply to filing.

Company Tracking Number: MSR-ACIC

TOI: MS06 Medicare Supplement - Other Sub-TOI: MS06.000 Medicare Supplement - Other

Product Name: Med Supp

Project Name/Number: ACIC 2008 Med Supp Refund Calc Forms/MSR-ACIC

Supporting Document Schedules

Review Status:

Satisfied -Name: Med Supp Refund Calc Forms Accepted for Informational 05/21/2009

Purposes

Comments:

Attachment:

ACIC - AR Med Supp Refund Calcs (Ind Std).pdf

FOR CALENDAR YEAR 2008

Type Individual		MSBP (w)	A	
Delivered or Issued for			Arkansas	
Company Name		nerican Continental Ins		
NAIC Group Code		AIC Company Code	12321	
Address		ntal Place, Brentwood,		
Person Completing Th			oner, FSA, MAAA	1200 47220
Title	Actuary	Telephone Numb	er (015) 377-	1300 x7220
			(a)	(b)
			Earned	Incurred
<u>Line</u>			Premium (x)	Claims (y)
1. Current Year's Ex			70.4	171
a. Total (all polic			734 734	171 171
b. Current year's		11.\	734	0
c. Net (for report	ing purposes = line 1a - line	: 16)		
2. Past Years' Exper	rience			
(All Policy Years)			0	0
•	•			_
3. Total Experience	(Net Current Year plus Past	Years' Experience)	0	0
4 B 0 1 T 1 T	(T) 1 11 T ()	0		
4. Refunds Last Yea	er (Excluding Interest)	U		
5. Previous Refunds	s Since Inception (Excluding	g Interest) 0		••
6. Refunds Since Inc	ception (Excluding Interest)	0		
7. Benchmark Ratio	Since Inception			
	EET FOR RATIO 1)	N/A		
8. Experienced Rati				
•	-			
	tal Actual Incurred Claims (Ratio 20	= N/A
Total Earned Pr	rem. (line 3, col. a) - Refund	ls Since Inception (line 6)	0	
9. Life Years Expos	sed Since Inception	0		
	Ratio is less than the Bench posure, then proceed to calc	nmark Ratio, and there are mor ulation of refund.	e	
than 500 the years on	pooure, men process to this	***************************************		
10. Tolerance Permit	tted (obtained from credibili	ty table) Not Credible		
11. Adjustment to Inc	curred Claims for Credibilit	у	·	
	Ratio 3 = Ratio 2 + Tolera	nce =		
If Ratio 3 is more not required.	e than Benchmark Ratio (Ra	tio 1), a refund or credit to pre	emium is	

If Ratio 3 is less than the Benchmark Ratio, then proceed.

[Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6)] x Ratio 3 (line 11)

13. Refund =

No Refund

Total Earned Premiums (line 3, col a) Refunds Since Inception (line 6) Adjusted Incurred Claims (line 12)
Benchmark Ratio (Ratio 1)

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise, the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

MEDICARE SUPPLEMENT CREDIBILITY TABLE

Life Years Exposed								
Since Inception	Tolerance							
10,000 +	0.0%							
5,000 - 9,999	5.0%							
2,500 - 4,999	7.5%							
1,000 - 2,499	10.0%							
500 - 999	15.0%							

If less than 500, no credibility.

75

- (w) "SMSBP" = Standard Medicare Supplement Benefit Plan.
- (x) Includes modal loadings and fees charged.
- (y) Excludes Active Life Reserves.
- (z) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios."

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.

Kuhar Waxen
Signature ()()
Richard Waggoner, FSA, MAAA
Name
Actuary
Title
5/6/2009
Date

Type Delivered or Issued for Delivery in Company Name NAIC Group Code Address Person Completing This Exhibit Title			Individual SMSBP (w) A Arkansas American Continental Insurance Company 4011 NAIC Company Code 12321 101 Continental Place, Brentwood, Tennessee 37027 Richard Waggoner, FSA, MAAA Actuary Telephone Number (615) 37					x7220		
(a) <u>Year</u>	(b) Earned <u>Premium</u>	(c)	(d) (b) x (c)	(e) Cumulative Loss <u>Ratio</u>	(f) (d) x (e)	(g) <u>Factor</u>	(h) (b) x (g)	(i) Cumulative Loss <u>Ratio</u>	(j) (h) x (i)	(o) Policy Year Loss <u>Ratio</u>
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15+		2.770 4.175 4.175 4.175 4.175 4.175 4.175 4.175 4.175 4.175 4.175 4.175 4.175 4.175 4.175 4.175 4.175		0.442 0.493 0.493 0.493 0.493 0.493 0.493 0.493 0.493 0.493 0.493 0.493		0.000 0.000 1.194 2.245 3.170 3.998 4.754 5.445 6.075 6.650 7.176 7.655 8.093 8.493 8.684		0.000 0.000 0.659 0.669 0.678 0.686 0.695 0.702 0.708 0.713 0.717 0.720 0.723 0.725		0.40 0.55 0.65 0.67 0.69 0.71 0.73 0.75 0.76 0.76 0.77 0.77
TOTAL		(k):	0	(1):	() (m):	0	(n):	0	

Benchmark Ratio Since Inception (l+n)/(k+m):

N/A

- (b): For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.
- (o): These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet. They are shown here for Informational purposes only.
- (p): "SMSBP" = Standard Medicare Supplement Benefit Plan.

FOR CALENDAR YEAR 2008

Туре	Individual	SMSBP (w)		D	4			
Deliver	ed or Issued for Delivery in							
Compar	y Name	American Co	ntinental Insuranc	e Company				
NAIC C	Froup Code 4011	NAIC Company		12321				
Address	101 (Continental Place,						
Person (Completing This Exhibit		hard Waggoner, F		7000			
Title	Actuary	<u>/ </u>	elephone Number	(615) 377-13	300 x/220			
<u>Line</u>				(a) Earned Premium (x)	(b) Incurred Claims (y)			
a. ' b.	rrent Year's Experience Total (all policy Years) Current year's issues (z) Net (for reporting purposes = lin	e 1a - line 1b)		6,645 389 6,256	977 110 867			
	et Years' Experience l Policy Years)			807	340			
3. To	al Experience (Net Current Year	plus Past Years' Experience	ence)	7,063	1,207			
4. Re	funds Last Year (Excluding Inter	est)	0					
5. Pre	evious Refunds Since Inception (Excluding Interest)	0					
6. Re	funds Since Inception (Excluding	g Interest)	0					
	nchmark Ratio Since Inception EE WORKSHEET FOR RATIO	1)	0.442					
8. Ex	perienced Ratio Since Inception							
	Total Actual Incurred Cotal Earned Prem. (line 3, col. a	l Claims (line 3, col. b) - Refunds Since Incept	= Ratio 2	1,207 7,063	0.171			
9. Lif	e Years Exposed Since Inception	11						
	he Experience Ratio is less than 0 life years exposure, then proce							
10. To	lerance Permitted (obtained from	r credibility table) <u>h</u>	Not Credible					
11. Ac	justment to Incurred Claims for	Credibility						
	Ratio 3 = Ratio 2	2 + Tolerance =						
	Ratio 3 is more than Benchmark trequired.	Ratio (Ratio 1), a refund	l or credit to premium is					

If Ratio 3 is less than the Benchmark Ratio, then proceed.

[Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6)] x Ratio 3 (line 11)

13. Refund =

No Refund

Total Earned Premiums (line 3, col a) -Refunds Since Inception (line 6) -<u>Adjusted Incurred Claims (line 12)</u> Benchmark Ratio (Ratio 1)

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise, the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

MEDICARE SUPPLEMENT CREDIBILITY TABLE

Life Years Exposed	
Since Inception	Tolerance
10,000 +	0.0%
5,000 - 9,999	5.0%
2,500 - 4,999	7.5%
1,000 - 2,499	10.0%
500 - 999	15.0%

If less than 500, no credibility.

- (w) "SMSBP" = Standard Medicare Supplement Benefit Plan.
- (x) Includes modal loadings and fees charged.
- (y) Excludes Active Life Reserves.
- (z) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios."

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.

Signature

Richard Waggoner, FSA, MAAA

Name

Actuary

Title

5/6/2009

Type			Individual		SMSBP (w)			D		
	Issued for Del	livery in			_		Arkan	sas		
Company Na		•			American Co	ntinental	Insurance	Company		
NAIC Group			40	11	NAIC Company	Code		123	21	
Address			1	01 Contir	nental Place, l		d, Tennes	see 37027		
	- pleting This E	xhibit			Ric	chard Wa	aggoner, F	SA, MAAA		
Title	Ç <i>G</i>		Ac	tuary	,	Telephone N	Number	(615) 3	377-1300	x7220
*****	_					•				
(a)	(b)	(c)	(d)	(e) Cumulative	(f)	(g)	(h)	(i) Cumulative	(j)	(o) Policy
	Earned			Loss				Loss		Year Loss
Year	<u>Premium</u>	<u>Factor</u>	(b) x (c)	<u>Ratio</u>	(d) x (e)	<u>Factor</u>	(b) x (g)	<u>Ratio</u>	(h) x (i)	<u>Ratio</u>
1	807	2.770	2,235	0.442	988	0.000	0	0.000	C	
2		4.175		0.493		0.000		0.000		0.55
3		4.175		0.493		1.194		0.659		0.65
4		4.175		0.493		2.245		0.669		0.67
5		4.175		0.493		3.170		0.678		0.69
6		4.175		0.493		3.998		0.686		0.71
7		4.175		0.493		4.754		0.695		0.73
8		4.175		0.493		5.445		0.702		0.75
9		4.175		0.493		6.075		0.708		0.76
10		4.175		0.493		6.650		0.713		0.76
11		4.175		0.493		7.176		0.717		0.76
12		4.175		0.493		7.655		0.720		0.77
13		4.175		0.493		8.093		0.723		0.77
14		4.175		0.493		8.493		0.725		0.77
15+		4.175		0.493		8.684		0.725		0.77
TOTAL		(k):	2,235	(1):	988	(m):	0	(n):	0	

Benchmark Ratio Since Inception (l+n)/(k+m):

0.442

- (b): For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.
- (o): These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet. They are shown here for Informational purposes only.
- (p): "SMSBP" = Standard Medicare Supplement Benefit Plan.

FOR CALENDAR YEAR 2008

Гуре	Individual	SMSBP (w)		F	
Deliv	ered or Issued for Delivery in		Arkan		
Comp	pany Name		<u>ntinental Insurance</u>		
NAIC	Group Code 4011	NAIC Company		12321	
Addr			Brentwood, Tennes		
	n Completing This Exhibit		hard Waggoner, FS	615) 377-13	00 x7220
Title	Actuary	17	elephone Number	(015) 377-13	00 X1220
				(a)	(b)
				Earned	Incurred
Line				Premium (x)	Claims (y)
1 /	Sumant Vasila Evasionas				
	Current Year's Experience a. Total (all policy Years)			63,206	69,646
	o. Current year's issues (z)			57,427	57,197
	c. Net (for reporting purposes = line	la - line 1h)		5,779	12,449
•	c. 14ct (for reporting purposes time	ru - mie 10)			
2.]	Past Years' Experience				
((All Policy Years)			2,772	1,128
3. ′	Total Experience (Net Current Year p	lus Past Years' Experie	ence)	8,551	13,577
4.]	Refunds Last Year (Excluding Interes	t)	0		
5.	Previous Refunds Since Inception (Ex	ccluding Interest)	0		
6.	Refunds Since Inception (Excluding l	interest)	0		
	Benchmark Ratio Since Inception (SEE WORKSHEET FOR RATIO 1)		0.442		
,	(SEE WORKSHEET FOR KATIO 1)		0.112		
8.	Experienced Ratio Since Inception				
_	Total Actual Incurred (Claims (line 3, col. b)	= Ratio 2	13,577	1.588
	Total Earned Prem. (line 3, col. a) -	Refunds Since Incept	ion (line 6)	8,551	,,,,,,
9.	Life Years Exposed Since Inception	11			
	If the Experience Ratio is less than the 500 life years exposure, then proceed				
10.	Tolerance Permitted (obtained from o	credibility table)	Not Credible		
11.	Adjustment to Incurred Claims for C	redibility			
	Ratio 3 = Ratio 2 +	- Tolerance =			
	If Ratio 3 is more than Benchmark R not required.	atio (Ratio 1), a refund	d or credit to premium is		
	If Ratio 3 is less than the Benchmark	Ratio, then proceed.			

[Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6)] x Ratio 3 (line 11)

13. Refund =

No Refund

Total Earned Premiums (line 3, col a) -Refunds Since Inception (line 6) -<u>Adjusted Incurred Claims (line 12)</u> Benchmark Ratio (Ratio 1)

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise, the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

MEDICARE SUPPLEMENT CREDIBILITY TABLE

Life Years Exposed	
Since Inception	Tolerance
10,000 +	0.0%
5,000 - 9,999	5.0%
2,500 - 4,999	7.5%
1,000 - 2,499	10.0%
500 - 999	15.0%

If less than 500, no credibility.

- (w) "SMSBP" = Standard Medicare Supplement Benefit Plan.
- (x) Includes modal loadings and fees charged.
- (y) Excludes Active Life Reserves.
- (z) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios."

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.

Signature

Richard Waggoner, FSA, MAAA

Name

Actuary

Title

5/6/2009

Туре			Individual		SMSBP (w)			F		
	Issued for De	livery in					Arkan	sas		
Company N		•			American Co	ntinental	Insurance	Company		
NAIC Group			401		NAIC Company			1232	21	
Address	p Code				ental Place, I		d, Tennes	see 37027	1_100	
	pleting This E	xhibit		· · · · · ·				SA, MAAA	-	
Title	p		Act	uary		Telephone N			77-1300	x7220
11010	_				<u></u>	1				
(a)	(b)	(c)	(d)	(e) Cumulative	(f)	(g)	(h)	(i) Cumulative	(j)	(o) Policy
	Earned			Loss				Loss		Year Loss
Year	<u>Premium</u>	<u>Factor</u>	(b) x (c)	Ratio	(d) x (e)	<u>Factor</u>	(b) x (g)	<u>Ratio</u>	(h) x (i)	Ratio
1	2,772	2.770	7,678	0.442	3,394	0.000	C	0.000	C	
2	•	4.175		0.493		0.000		0.000		0.55
3		4.175		0.493		1.194		0.659		0.65
4		4.175		0.493		2.245		0.669		0.67
5		4.175		0.493		3.170		0.678		0.69
6		4.175		0.493		3.998		0.686		0.71
7		4.175		0.493		4.754		0.695		0.73
8		4.175		0.493		5.445		0.702		0.75
9		4.175		0.493		6.075		0.708		0.76
10		4.175		0.493		6.650		0.713		0.76
11		4.175		0.493		7.176		0.717		0.76
12		4.175		0.493		7.655		0.720		0.77
13		4.175		0.493		8.093		0.723		0.77
14		4.175		0.493		8.493		0.725		0.77
15+		4.175		0.493		8.684		0.725		0.77
TOTAL		(k):	7,678	(1):	3,394	(m):	0	(n):	0	

Benchmark Ratio Since Inception (l+n)/(k+m):

0.442

- (b): For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.
- (o): These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet. They are shown here for Informational purposes only.
- (p): "SMSBP" = Standard Medicare Supplement Benefit Plan.

FOR CALENDAR YEAR 2008

_{/pe} Individual		SMSBP (w)		J				
Delivered or Issued for Delivery in		Arkansas						
Company Name		American Cor	ntinental Insu	rance Company				
NAIC Group Code	4011	NAIC Company		12321				
Address	101 Cont			ennessee 37027				
Person Completing T				er, FSA, MAAA				
Title	Actuary	Te	lephone Number	(615) 377-	(615) 377-1300 x7220			
<u>Line</u>				(a) Earned Premium (x)	(b) Incurred Claims (y)			
 Current Year's E Total (all politions) Current year's Net (for report 	icy Years)	- line 1b)		1,539,223 1,064,813 474,410	963,204 658,063 305,141			
2. Past Years' Expe (All Policy Year				102,465	53,219			
3. Total Experience	e (Net Current Year plus	Past Years' Experie	ence)	576,875	358,360			
4. Refunds Last Ye	ear (Excluding Interest)		0					
5. Previous Refund	ds Since Inception (Excl	uding Interest)	0					
6. Refunds Since I	nception (Excluding Inte	erest)	0					
7. Benchmark Rati	o Since Inception							
(SEE WORKSF	IEET FOR RATIO 1)		0.442					
8. Experienced Ra	tio Since Inception							
	otal Actual Incurred Cla Prem. (line 3, col. a) - Re		= Rε on (line 6)	358,360 576,875	= 0.621			
9. Life Years Expo	osed Since Inception	688						
	ee Ratio is less than the Exposure, then proceed to							
10. Tolerance Perm	itted (obtained from cred	libility table)	0.150					
11. Adjustment to I	ncurred Claims for Cred	ibility						
	Ratio $3 = \text{Ratio } 2 + \text{T}$	olerance =	0.771					
If Ratio 3 is mo not required.	re than Benchmark Ratio	o (Ratio 1), a refund	or credit to prem	ium is				
If Ratio 3 is less	s than the Benchmark Ra	atio, then proceed.						

[Total Earned Premiums (line 3, col a) - Refunds Since Inception (line 6)] x Ratio 3 (line 11)

13. Refund =

No Refund

Total Earned Premiums (line 3, col a) Refunds Since Inception (line 6) Adjusted Incurred Claims (line 12)
Benchmark Ratio (Ratio 1)

If the amount on line 13 is less than .005 times the annualized premium in force as of December 31 of the reporting year, then no refund is made. Otherwise, the amount on line 13 is to be refunded or credited, and a description of the refund and/or credit against premiums to be used must be attached to this form.

MEDICARE SUPPLEMENT CREDIBILITY TABLE

Life Years Exposed				
Since Inception	<u>Tolerance</u>			
10,000 +	0.0%			
5,000 - 9,999	5.0%			
2,500 - 4,999	7.5%			
1,000 - 2,499	10.0%			
500 - 999	15.0%			

If less than 500, no credibility.

- (w) "SMSBP" = Standard Medicare Supplement Benefit Plan.
- (x) Includes modal loadings and fees charged.
- (y) Excludes Active Life Reserves.
- (z) This is to be used as "Issue Year Earned Premium" for Year 1 of next year's "Worksheet for Calculation of Benchmark Ratios."

I certify that the above information and calculations are true and accurate to the best of my knowledge and belief.

Rucharo	Wayer
Signature	04
Richard W	aggoner, FSA, MAAA
Name	
	Actuary
Title	
	5/6/2009
Date	

Type			Individual		SMSBP (w)			J		
Delivered or Issued for Delivery in				•		Arkar	nsas			
Company Name			American Continental Insurance Company							
NAIC Group Code		401	4011 NAIC Company Code 12321							
Address	•		101 Continental Place, Brentwood, Tennessee 37027							
Person Completing This Exhibit		Richard Waggoner, FSA, MAAA								
Title		Actuary		Telephone Number			(615) 377-1300 x7220			
	-		, , , , ,	<i>y</i>				(3.12)	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
(a)	(b)	(c)	(d)	(e) Cumulative	(f)	(g)	(h)	(i) Cumulative	(j)	(o) Policy
	Earned		· ·	Loss				Loss		Year Loss
Year	Premium	Factor	(b) x (c)	Ratio	(d) x (e)	Factor	(b) x (g)	Ratio	(h) x (i)	Ratio
<u>1 Cai</u>	richnum	ractor	(<u>b) x (c)</u>	Katio	(u) x (e)	racion	(U) A (E)	Ratio	(11) X (1)	Kauo
1	102,465	2.770	283,828	0.442	125,452	0.000	(0.000	C	0.40
2		4.175		0.493		0.000		0.000		0.55
3		4.175		0.493		1.194		0.659		0.65
4		4.175		0.493		2.245		0.669		0.67
5		4.175		0.493		3.170		0.678		0.69
6		4.175		0.493		3.998		0.686		0.71
7		4.175		0.493		4.754		0.695		0.73
8		4.175		0.493		5.445		0.702		0.75
9		4.175		0.493		6.075		0.708		0.76
10		4.175		0.493		6.650		0.713		0.76
11		4.175		0.493		7.176		0.717		0.76
12		4.175		0.493		7.655		0.720		0.77
13		4.175		0.493		8.093		0.723		0.77
14		4.175		0.493		8.493		0.725		0.77
15+		4.175		0.493		8.684		0.725		0.77
TOTAL		(k):	283,828	(1):	125,452	(m):	0	(n):	0	

Benchmark Ratio Since Inception (l+n)/(k+m):

0.442

- (b): For the calendar year on the appropriate line in column (a), the premium earned during that year for policies issued in that year.
- (o): These loss ratios are not explicitly used in computing the benchmark loss ratios. They are the loss ratios, on a policy year basis, which result in the cumulative loss ratios displayed on this worksheet. They are shown here for Informational purposes only.
- (p): "SMSBP" = Standard Medicare Supplement Benefit Plan.